

Tobacco Tax-Frequently Asked Questions

Q: Under Washington state law, what are my responsibilities as a retailer of cigarettes?

A: RCW 82.24 imposes taxation on all cigarettes sold, used, consumed, handled, possessed, or distributed within the state. The tax is imposed at the wholesale level and reflected in the price paid by purchasers at licensed retail outlets. As a retailer you are responsible to ensure you are selling Washington state taxed cigarettes. Look on the bottom of the cigarette pack to see the Washington state tax stamp.

Q: What legal risks are associated with buying or possessing untaxed cigarettes?

A: It is a gross misdemeanor for any licensed retailer to possess or transport untaxed cigarettes. If a law enforcement officer discovers untaxed tobacco products in a retail outlet, the following penalties apply:

- ♦ Seizure of the untaxed tobacco products.
- ♦ A remedial penalty of either \$10 per pack or \$250 minimum penalty (whichever is greater).
- ♦ Cigarette tax and interest including sales and use tax.
- ♦ Class C felony if in possession of more than 60,000 untaxed cigarettes.

Q: Are some persons allowed to buy untaxed cigarettes?

A: Federal law exempts two categories of individuals from state tobacco taxes:

- ♦ Active duty and retired military personnel and their immediate families are exempt.
However, federal law prohibits military personnel and dependents from reselling or giving away untaxed tobacco products to non-military persons.
- ♦ Enrolled members of federally recognized Native American tribes are exempt.
However, it is unlawful for tribal members to sell or give away untaxed tobacco products to non-tribal members unless state taxes are paid.

Enforcement

The Liquor Control Board enforces the tobacco laws for the state of Washington. They enforce:

- ♦ Retail and wholesale licensing.
- ♦ Sales to minors.
- ♦ Vending machine sales.
- ♦ Sampling.
- ♦ Illegal cigarette sales and possession.

For more information on tobacco tax enforcement activities, visit the Liquor Control Board's web site

(<http://www.wa.gov.liq>)

To file a complaint or tip, contact the following:

Liquor Control Board
1-888-838-3956

Liquor Enforcement Office
[Http://www.wa.gov/liq/info/enforcecontact.htm#Nearest EnforcementOffice](http://www.wa.gov/liq/info/enforcecontact.htm#NearestEnforcementOffice)

Licensing

Retail, wholesale, and vending machine cigarette licenses must be obtained through the Department of Licensing. They can be reached at (360) 664-1400 or visit their web site at (<http://www.wa.gov/dol>). The annual license fees are:

- ♦ Wholesaler **\$650**
- ♦ Branch Wholesaler **\$115**
- ♦ Retailer **\$93**
- ♦ Vending Machine **\$30**

Penalties for tobacco violations are set by law. The Board may suspend or revoke a tobacco license or impose a monetary fine as set by law (RCW 70.155.100, WAC 314-10-110).

No Tobacco Sign on Display.No Tobacco License on Display.Sale or providing tobacco to persons under 18-(licensee).Sale of cigarettes in opened or untaxed package.Vending machine improperly placed.	1 st violation- \$100 2 nd violation- \$300 3 rd violation- \$1,000 and 6 month license suspension 4 th violation- \$1,500 and 12 month license suspension 5 th violation- 5 year license suspension
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Selling cigarettes without a license.	Misdemeanor citation penalty set by the court
Selling or providing tobacco to persons under 18- (clerk)	1 st violation- \$50 Each subsequent violation \$100
Person under 18 possessing, purchasing, or obtaining tobacco products	\$50 + \$45 court costs = \$95
Unauthorized use of coupons	\$1,000 each violation
Sampling without a license	\$300 each violation
Sampling at unauthorized location	\$300 each violation

Laws and Rules

- ♦ Chapter 82.24 Revised Code of Washington (RCW)
- ♦ Washington Administrative Code (WAC) 458-20-186 – Tax on Cigarettes
- ♦ WAC 458-20-18601 – Wholesale and retail cigarette vendor licenses.
- ♦ WAC 458-20-192 – Indian Sales.